

THE FUEL TAX ACT

INTERNATIONAL FUEL TAX AGREEMENT (IFTA)

The province of Manitoba is a member of the International Fuel Tax Agreement (IFTA). This agreement among Canadian provinces and U.S. states simplifies the reporting of fuel taxes by carriers who operate in more than one member province or state.

IFTA began in 1983 with three member states, and has grown substantially since then. IFTA membership now consists of 48 U.S. states and ten Canadian provinces. A full list of IFTA member jurisdictions is at the end of this Information Bulletin.

IF YOUR VEHICLES TRAVEL IN MORE THAN ONE IFTA MEMBER JURISDICTION, YOUR OPERATIONS WILL BE AFFECTED BY MANITOBA'S MEMBERSHIP IN IFTA.

IFTA benefits to carriers Manitoba's membership in IFTA provides the following benefits for Manitoba carriers:

- ONE APPLICATION FORM

Eligible Manitoba carriers apply for fuel tax credentials which will cover travel in all IFTA member jurisdictions.

- ONE SET OF CREDENTIALS

Before IFTA, a carrier was required to obtain the appropriate fuel tax credentials for each province or state in which travel occurred. Under IFTA, eligible Manitoba carriers obtain a single IFTA licence, plus a set of decals for each qualified motor vehicle, which is honoured in all IFTA member jurisdictions.

- SINGLE LICENCE/DECAL FEE

IFTA allows member jurisdictions to charge licence and/or decal fees only to their own eligible carriers. Manitoba's fee for IFTA credentials is \$65.00 per carrier per calendar year for an IFTA licence, plus an annual \$5.00 per truck decal fee.

- ONE IFTA RETURN

A Manitoba carrier licensed under IFTA files one quarterly IFTA tax return with

Note: Revisions to the previous Bulletin (November 2016) have been identified by shading ().

Manitoba Finance-Taxation Division and does not have to file IFTA tax returns with other IFTA member jurisdictions, as Manitoba fulfils this responsibility.

- ONE NET IFTA PAYMENT

IFTA allows a carrier to net out any payments and credits to IFTA member jurisdictions on its quarterly return.

- REFUNDS READILY AVAILABLE

Net accumulated fuel tax credits greater than \$10 are refunded when requested, or are available to be offset against tax owing on the next return.

- BONDS

Carriers with good compliance records do not have to post fuel tax bonds.

- ONE IFTA AUDIT

Ordinarily, a carrier will be audited for fuel taxes by its base jurisdiction, on behalf of all the IFTA member jurisdictions.

- FLEXIBILITY IN REPORTING

IFTA allows carriers flexibility in reporting fuel tax for leased vehicles and contractors. For example, a carrier may report and pay fuel tax on its leased or contract vehicles or have the leasing company/contractor report and pay the tax for arrangements greater than 30 days. Also, a Manitoba carrier with fleets in other jurisdictions can report the distance travelled by all fleets on one Manitoba IFTA fuel tax return or on separate returns if the fleets are base-plated in other IFTA jurisdictions.

- UNIFORMITY

IFTA provides for uniform procedures in fuel tax administration and enforcement.

Who is required to licence under IFTA in Manitoba?

- A Manitoba carrier who:

- has qualified motor vehicles based in Manitoba for vehicle registration purposes under the International Registration Plan (IRP); and
- keeps operational records of those vehicles within Manitoba; and
- operates one or more of those vehicles in Manitoba and at least one other IFTA member jurisdiction,

must apply to Manitoba Finance - Taxation Division to licence under IFTA.

- Carriers who meet the criteria above will be subject to a single trip permit for fuel tax purposes, as well as a possible citation, in each IFTA member jurisdiction they enter, if they are not licensed under IFTA, carrying their

Manitoba IFTA licence **in electronic or paper format** in their vehicle and properly displaying their Manitoba IFTA decals.

- As an example, a Manitoba carrier who operates in Manitoba, Ontario and Minnesota will be required to carry his or her Manitoba IFTA licence **in electronic or paper format** in each vehicle and properly affix the Manitoba IFTA decals to each vehicle, or to purchase a single trip permit each time he or she enters Minnesota, Ontario, or returns to Manitoba.
- As of May 1, 2001, the only Manitoba interjurisdictional carriers who will not be subject to the terms of IFTA will be carriers who travel exclusively between Manitoba and the Northwest Territories, Yukon, Nunavut and Alaska. Any other travel routes would mean that the carrier travels in two or more IFTA jurisdictions, and would therefore be subject to the terms and conditions of the International Fuel Tax Agreement.

What is a qualified motor vehicle?

- A qualified motor vehicle is a motor vehicle used, designed or maintained for the transportation of persons or property and which has
 - two axles and a gross vehicle weight or registered gross vehicle weight exceeding 11,797 kilograms (26,000 lbs.); or
 - three or more axles regardless of weight; or
 - if used in combination with a trailer, a combined weight that exceeds 11,797 kilograms (26,000 lbs.).
- Recreational vehicles are specifically excluded from the definition.

How does a carrier receive Manitoba IFTA credentials?

- Carriers must complete the "Application for IFTA Licence and Decals" form and mail it to Taxation Division, along with payment of applicable licence and decal fees. Alternatively, the completed application form with payment may be delivered in person to the Taxation Division offices in Winnipeg or Brandon.
- Upon approval, the carrier will be given one **paper** IFTA licence plus two decals for each qualified motor vehicle. A photocopy **or an electronic copy** of the licence **MUST** be carried in each vehicle, and the decals **MUST** be affixed to each vehicle according to the instructions provided.

IFTA member jurisdictions

- As of May 1, 2001, the following jurisdictions are IFTA members:

Alabama	Kansas	New Hampshire	Rhode Island
Alberta	Kentucky	New Jersey	Saskatchewan
Arizona	Louisiana	New Mexico	South Carolina
Arkansas	Maine	New York	South Dakota
British Columbia	Manitoba	Newfoundland	Tennessee
California	Maryland	North Carolina	Texas
Colorado	Massachusetts	North Dakota	Utah
Connecticut	Michigan	Nova Scotia	Vermont
Delaware	Minnesota	Ohio	Virginia
Florida	Mississippi	Oklahoma	Washington
Georgia	Missouri	Ontario	West Virginia

Idaho	Montana	Oregon	Wisconsin
Illinois	Nebraska	Pennsylvania	Wyoming
Indiana	Nevada	Prince Edward Island	
Iowa	New Brunswick	Quebec	

Additional information

- IFTA application forms and “Motor Carrier Instruction Manuals” are available on our website or at the Taxation Division offices. If you would like to receive an application form and/or a manual, or if you have any questions on the information presented in this Bulletin, please contact our office at (204) 945-5603, or by e-mail at MBTax@gov.mb.ca.

Further information may be obtained from:

Winnipeg Office

Manitoba Finance
Taxation Division
101 - 401 York Avenue
Winnipeg, Manitoba R3C 0P8
Telephone (204) 945-5603
Manitoba Toll Free 1-800-782-0318
Fax (204) 948-2087
E-mail: MBTax@gov.mb.ca
Website : <https://www.gov.mb.ca/finance/taxation>

Westman Regional Office

Manitoba Finance
Taxation Division
314, 340 - 9th Street
Brandon, Manitoba R7A 6C2
Fax (204) 726-6763

ONLINE SERVICES

Our website at manitoba.ca/finance/taxation provides tax forms and publications about taxes administered by Taxation Division, and a link to Manitoba’s laws and regulations. Forms and publications can also be obtained by contacting the Taxation Division.

Our online service at manitoba.ca/TAXcess provides a simple, secure way to apply for, and to file, pay and view your Taxation Division tax accounts.